

Union Tank Car Company



3

0-326A07X

90 Half Day Road
Lincolnshire, Illinois 60015

Direct Tel. No.:

No. 1 NOV 21 1980

Date.....

Fee \$ 50.00

A Subsidiary of
Trans Union Corporation

RECORDATION NO. 12431 Filed 1425

November 14, 1980

NOV 21 1980 12:45 PM

ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
12th and Constitutional Avenue, N.W.
Washington, D.C. 20423

*Mr. Lee - need
separate letter for
this one -
Shanks -
PAG*

Re: Recordation of Loan and Security Agreement
dated as of November 1, 1980 (Series H)

Gentlemen:

New Number

Pursuant to Section 11303 of the Revised Interstate Commerce Act and Title 49, Part 1116 of the Code of Federal Regulations, we enclose for recordation with your office five executed counterparts of a Loan and Security Agreement dated as of November 1, 1980 (Series H) (the "Agreement"), between Union Tank Car Company, 90 Half Day Road, Lincolnshire, Illinois 60015 ("Union"), and Wells Fargo Bank, N.A., 420 Montgomery Street, San Francisco, California 94104 (the "Bank"). We also enclose our check in the amount of \$50.00 to cover the recordation fee.

The Agreement provides for a loan by the Bank to the Company secured by the 594 railroad cars described in Schedule A attached hereto.

Please return three of the executed Agreements, stamped to show the recordation number and the date and hour of recordation, to our messenger.

Very truly yours,

UNION TANK CAR COMPANY

By

P. J. Johnson

P. J. Johnson

Vice President and Treasurer

Encls.

NOV 21 12:33 PM '80
DUCKETT FILES
ANCH

Gerard Johnson

UNION TANK CAR COMPANY
LOAN AND SECURITY AGREEMENT
DATED AS OF NOVEMBER 1, 1980 (SERIES H)

SCHEDULE A

DESCRIPTION OF TRUST EQUIPMENT

QUANTITY	A.A.R. MECHANICAL DESIGNATION CODE	CAPACITY IN GALLONS	ROAD NUMBERS
3	LO	4,750 CUFT	UTCX43055-UTCX43056 UTCX43058
28	LO	7,000 CUFT	UTBX10202-UTBX10229
40	TA	13,000	11160-11199
40	TM	13,000	60830-60831, 60833, 60836 60839-60874
14	TM	13,500	60875-60882, 60884-60887 60889, 60891
23	TM	14,000	24880, 24885, 24908-24925 24932, 24934-24935
58	TM	16,000	66227-66228, 66230-66257 66259, 66261, 66263 66265, 66310-66317 66320-66321, 66324-66325 85013, 85042, 85067 85073, 85076, 85078 85087, 85096, 85135-85136 85149, 85157
104	TM	20,000	48384-48385, 48389, 48392 48394, 48396, 48401 48405, 48412, 48414 48416, 48418, 48421-48423 48425, 48427-48430 48432-48433, 48439 48441, 48443, 67801 67803-67806, 67809 67811-67814, 67817-67818 67827, 67829, 68277 68281, 68442-68447 68451-68452, 68455-68509
135	TM	23,500	67970-67999, 68042-68050 68052, 68054, 68056 68060, 68073, 68077-68080 68084, 68086, 68092 68094, 68100-68109 68111-68159, 68374 68538, 68540, 68562-68563

UNION TANK CAR COMPANY
LOAN AND SECURITY AGREEMENT
DATED AS OF NOVEMBER 1, 1980 (SERIES H)

SCHEDULE A

DESCRIPTION OF TRUST EQUIPMENT

QUANTITY	A.A.R. MECHANICAL DESIGNATION CODE	CAPACITY IN GALLONS	ROAD NUMBERS
			68565, 68567, 68570-68571 68576-68577, 68582 68850, 68852-68859 68929, 68958-68959
3	TM	25,000	98268-98269, 98271
13	TM	26,000	48381, 48415, 48420, 48462 48466, 48474, 48482 48487, 48490, 48493 48498, 48546, 48611
8	TMI	20,000	BAYX1006-BAYX1013
14	TP	16,000	66229, 66258, 66260, 66262 66264, 66266-66274
40	TP	25,000	26000, 26002-26007, 26009 26011, 26013, 26016-26017 98272-98273, 98275-98278 98281-98282, 98284 98286, 98288-98289 98291-98292, 98295 98297-98298, 98301-98303 98305-98312
9	TP	26,700	30109-30117
15	BULKHEAD FLAT	100 TON	BCOL866010-BCOL866011 BCOL866015-BCOL866016 BCOL866019 BCOL866025 BCOL866031-BCOL866032 BCOL866054 BCOL866645-BCOL866648 BCOL866662-BCOL866663
16	COVERED HOPPER	5,840 CUFT	UNPX122304-UNPX122305 UNPX122314-UNPX122318 UNPX122320-UNPX122322 UNPX122324-UNPX122328 UNPX122330
8	TM	25,650	46111, 46115, 46118-46119 46122-46123, 46125

UNION TANK CAR COMPANY
 LOAN AND SECURITY AGREEMENT
 DATED AS OF NOVEMBER 1, 1980 (SERIES H)

SCHEDULE A

DESCRIPTION OF TRUST EQUIPMENT

QUANTITY -----	A.A.R. MECHANICAL DESIGNATION CODE -----	CAPACITY IN GALLONS -----	ROAD NUMBERS -----
			46127
2	TMI	10,000	70002-70003
2	TMI	20,000	73485-73486
7	TPI	17,300	83452, 83469, 83475, 83508-83509 83515-83516
12	TPI	33,800	98470, 98472, 98474-98476 98606, 98608, 98610 98614-98617
----- 594 =====	TOTAL		

Interstate Commerce Commission
Washington, D.C. 20423

11/21/80

OFFICE OF THE SECRETARY

P.J. Johnson
Vice President & Treasurer
Union Tank Car Company
90 Half Day Road
Lincolnshire, Illinois 60015

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **11/21/80** at **12:45pm**, and assigned re-recording number(s). **12431**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 12431 Filed 1425

NOV 21 1980 - 12 45 PM

INTERSTATE COMMERCE COMMISSION

LOAN AND SECURITY AGREEMENT
(SERIES H)

Dated as of November 1, 1980

Between

UNION TANK CAR COMPANY

and

WELLS FARGO BANK, N.A.

TABLE OF CONTENTS

Page

ARTICLE ONE

DEFINITIONS

SECTION 1.01	Definitions.....	1
	Affiliate.....	1
	Bank.....	1
	Bankruptcy Act.....	1
	Board of Directors.....	1
	Business Day.....	1
	Casualty Occurrence.....	2
	Collateral.....	2
	Commission.....	2
	Company.....	2
	Consolidated Subsidiary.....	2
	Cost.....	2
	Equipment.....	2
	Event of Default.....	2
	Indenture.....	2
	Interest Payment Date.....	2
	Loan.....	2
	Note.....	2
	Obligations.....	3
	Officers' Certificate.....	3
	Prime Rate.....	3
	Request.....	3
	Subsidiary.....	3

ARTICLE TWO

AMOUNT AND TERMS OF THE LOAN

SECTION 2.01	The Loan.....	3
SECTION 2.02	The Note.....	4
SECTION 2.03	Making the Loan.....	4
SECTION 2.04	Repayment of Loan.....	4
SECTION 2.05	Interest.....	4
SECTION 2.06	Basis of Computation.....	4
SECTION 2.07	Payments.....	4
SECTION 2.08	Payment on Non-Business Days.....	5
SECTION 2.09	Optional Prepayments.....	5
SECTION 2.10	Mandatory Prepayments.....	5
SECTION 2.11	Notation of Payments.....	5
SECTION 2.12	Certain Representations.....	5

ARTICLE THREE

SECURITY INTEREST IN COLLATERAL; OBLIGATIONS OF COMPANY AS TO COLLATERAL

SECTION 3.01	Grant of Security Interest.....	6
SECTION 3.02	Recording.....	6
SECTION 3.03	Release of Collateral.....	6
SECTION 3.04	Marking of Collateral.....	7
SECTION 3.05	Possession of Collateral.....	8
SECTION 3.06	Discharge of Liens.....	9
SECTION 3.07	Maintenance of Collateral.....	9
SECTION 3.08	Indemnity.....	9
SECTION 3.09	Substitution of Equipment.....	10

ARTICLE FOUR

CONDITIONS OF LENDING

SECTION 4.01	Proof of Corporate Action.....	11
SECTION 4.02	No Default.....	11
SECTION 4.03	Accuracy of Representations.....	11
SECTION 4.04	Opinion of Company Counsel.....	11
SECTION 4.05	Officers' Certificate.....	12
SECTION 4.06	Note.....	13
SECTION 4.07	Approval of Bank's Counsel.....	13

ARTICLE FIVE

REPRESENTATIONS AND WARRANTIES

SECTION 5.01	Corporate Existence and Power.....	14
SECTION 5.02	Corporate Authority.....	14
SECTION 5.03	Financial Condition.....	14
SECTION 5.04	Litigation.....	15
SECTION 5.05	Use of Loan.....	15
SECTION 5.06	Taxes.....	15
SECTION 5.07	Pension Plan.....	16
SECTION 5.08	Governmental Consent.....	16
SECTION 5.09	Title to Properties.....	16

ARTICLE SIX

AFFIRMATIVE COVENANTS

SECTION 6.01	Financial Statements.....	17
SECTION 6.02	Corporate Existence.....	17
SECTION 6.03	Business.....	18
SECTION 6.04	Property.....	18
SECTION 6.05	Insurance.....	18
SECTION 6.06	Payment of Taxes and Other Charges.....	18

ARTICLE SIX (CON'T.)

SECTION 6.07	Employee Retirement Income Security Act.....	18
SECTION 6.08	Notice of Default.....	19
SECTION 6.09	Compliance with Applicable Laws.....	19
SECTION 6.10	Litigation.....	19

ARTICLE SEVEN

REMEDIES IN EVENT OF DEFAULT

SECTION 7.01	Events of Default.....	19
SECTION 7.02	Remedies.....	21
SECTION 7.03	Application of Proceeds.....	22
SECTION 7.04	Obligations of Company Not Affected by Remedies.....	23
SECTION 7.05	Company to Deliver Collateral to Bank...	23
SECTION 7.06	Unconditional Right of Bank to Sue for Principal and Interest.....	24
SECTION 7.07	Remedies Cumulative.....	24

ARTICLE EIGHT

MISCELLANEOUS

SECTION 8.01	Consolidation or Merger.....	24
SECTION 8.02	No Recourse.....	24
SECTION 8.03	Counterparts.....	25
SECTION 8.04	Notices.....	25
SECTION 8.05	Survival of the Agreement.....	25
SECTION 8.06	Expense of the Bank.....	25
SECTION 8.07	Applicable Law.....	25
SECTION 8.08	Waiver of Rights by the Bank.....	26
SECTION 8.09	Modification of Agreement.....	26
SECTION 8.10	Severability.....	26
SECTION 8.11	Headings.....	26

LOAN AND SECURITY AGREEMENT

Loan and Security Agreement dated as of November 1, 1980, between UNION TANK CAR COMPANY, a Delaware corporation (hereinafter called the "Company"), and WELLS FARGO BANK, N.A., a national banking association (hereinafter called the "Bank").

WHEREAS, the Company desires to borrow from the Bank an amount not to exceed the lesser of (i) 75% of the aggregate Cost of the Collateral (as hereinafter defined) or (ii) \$20,000,000, and to secure such Loan by a security interest in the Collateral in favor of the Bank; and

WHEREAS, the Bank is willing to make such Loan upon the terms and conditions set forth herein;

NOW, THEREFORE, the parties agree as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.01. Definitions. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified:

Affiliate shall mean any corporation which, directly or indirectly, is controlled by, or is under direct or indirect common control with, the Company. For the purposes of this definition, control, controlled by and under common control with, as used with respect to any corporation, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities or by contract or otherwise.

Bank shall mean Wells Fargo Bank, N.A., a national banking association.

Bankruptcy Act shall mean the federal Bankruptcy Act or Title 11 of the United States Code, as now or hereafter constituted.

Board of Directors shall mean either the board of directors of the Company or any committee of that board duly authorized to act hereunder.

Business Day shall mean each day which is neither a Saturday, Sunday nor a day on which banking institutions in either the City of San Francisco, State of California, or

the City of Chicago, State of Illinois, are obligated or authorized by law or required by executive order to be closed.

Casualty Occurrence shall mean the economic loss of a unit of Collateral by reason of its having become worn out, unsuitable for use, lost or destroyed.

Collateral shall mean all Equipment at the time subject to the terms of this Agreement.

Commission shall mean the United States Securities and Exchange Commission.

Company shall mean Union Tank Car Company, a Delaware corporation, and its successors and assigns.

Consolidated Subsidiary shall mean any Subsidiary (whether now existing or hereafter organized or acquired) which at the time of determination thereof is consolidated with the Company in consolidated financial statements filed by the Company with the Commission.

Cost, when used with respect to Equipment not built by the Company or any Affiliate of the Company, shall mean the actual cost thereof, and, with respect to Equipment built by the Company or any such Affiliate, shall mean so-called "car builder's cost" including direct cost of labor and material and overhead, but excluding any manufacturing profit.

Equipment shall mean standard-gauge railroad equipment (other than passenger or nonrevenue producing work equipment) first placed in service by the Company or an Affiliate on or after January 1, 1979.

Event of Default shall mean any event specified in Section 7.01 to be an Event of Default.

Indenture shall mean that certain Indenture between the Company and The Chase Manhattan Bank, N.A., as Trustee, dated as of June 1, 1961, relating to the issuance by the Company of its 5% Sinking Fund Debentures due August 1, 1986.

Interest Payment Date shall mean any date specified in the form of Note annexed hereto as Schedule B as a fixed date on which an instalment of interest on the Loan is payable.

Loan shall mean the loan by the Bank to the Company pursuant to Article Two hereof.

Note shall mean the Company's Equipment Note due November 15, 1983 (Series H), the form of which is annexed hereto as Schedule B.

Obligations shall mean the principal and interest from time to time owing from the Company to the Bank under the Note and this Agreement.

Officers' Certificate shall mean a certificate signed by the Chairman of the Board or the President or any Vice President and by the Treasurer or any Assistant Treasurer or the Secretary or any Assistant Secretary of the Company.

Prime Rate, as used herein and in the form of Note annexed hereto as Schedule B, shall mean the prime rate announced by the Bank from time to time at its principal office in San Francisco, California.

Request shall mean a written request for the action therein specified, delivered to the Bank, dated not more than ten days prior to the date of delivery to the Bank and signed on behalf of the Company by the Chairman of the Board, the President, any Vice President or the Treasurer of the Company.

Subsidiary shall mean any corporation at least a majority (or such greater number as may be required by applicable law or charter or by-law provision for the election of directors) of whose securities having ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) are at the time owned by the Company and/or one or more Subsidiaries; and in the case of any corporation whose directors are elected for staggered terms or by cumulative voting, Subsidiary means any corporation as to which the Company or another Subsidiary is able to elect or to have elected a majority of the directors or such greater number of such directors as is required to act by applicable law or charter or by-law provision.

The words herein, hereof, hereby, hereto, hereunder and words of similar import refer to this Agreement as a whole and not to any particular Article, Section, paragraph or subdivision hereof.

ARTICLE TWO

AMOUNT AND TERMS OF THE LOAN

SECTION 2.01. The Loan. The Bank agrees, upon the terms and conditions hereinafter set forth, to loan to the Company, in one advance to the Company during the period from the date hereof to and including December 15, 1980, an amount which will equal 75% of the aggregate Cost of the Collateral, as specified in the Officers' Certificate to be furnished to the Bank pursuant to Section 4.05; provided,

however, that the maximum amount the Bank shall be obligated to loan to the Company hereunder shall be \$20,000,000.

SECTION 2.02. The Note. The Loan shall be evidenced by the Note to be delivered to the Bank pursuant to Article Four.

SECTION 2.03. Making the Loan. The Loan shall be made on at least three Business Days' notice from the Company to the Bank specifying the date thereof. On the date of such Loan and upon fulfillment of the applicable conditions set forth in Article Four, the Bank will make such Loan available to the Company in immediately available funds by crediting the proceeds of the Loan to the Company's account No. 001-081769 with the Bank.

SECTION 2.04. Repayment of Loan. The Loan shall be due and be payable to the Bank on November 15, 1983.

SECTION 2.05. Interest. The Company shall pay interest on the unpaid balance of the Loan from the date of the Loan until paid in full at the following rates per annum: (a) from the date of the Loan to maturity, at a rate per annum equal to 105% of the Prime Rate from time to time in effect; and (b) after maturity, whether by acceleration or otherwise, at a rate equal to the sum of (i) one percent (1%) plus (ii) the rate specified in clause (a) above. Interest shall be payable quarterly on February 15, May 15, August 15 and November 15 in each year, commencing February 15, 1981, until the unpaid balance of the Loan has been paid in full.

SECTION 2.06. Basis of Computation. Interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 365 (or, where applicable, 366) days.

SECTION 2.07. Payments. All payments of principal and interest on the Loan shall be made to the Bank in lawful money of the United States at its principal office at 420 Montgomery Street, San Francisco, California 94144, in immediately available funds. Unless the Bank otherwise instructs the Company pursuant to the last sentence of this Section 2.07, all payments shall be made at said office by debiting the Company's account No. 001-081769 with the Bank (or such other account with the Bank as the Company may from time to time designate), and the Company hereby authorizes the Bank to debit said account for payments of principal and interest as they become due and payable. Non-payment of any principal or interest on the Loan as a result of the failure of the Bank so to debit the account of the Company when sufficient funds are available in such account to cover the payments then due shall not be an Event of Default as

defined in Section 7.01 hereof. Notwithstanding the foregoing provisions of this Section 2.07, the Bank may, upon three Business Days prior written notice to the Company, direct that all subsequent payments hereunder be made by check or by wire transfer to the Bank at its aforesaid office or at any other address specified in such notice.

SECTION 2.08. Payment on Non-Business Days. If any principal of or interest on the Note falls due on a day other than a Business Day, then the time of such payment shall be extended to the next succeeding full Business Day and such extension of time shall be included in the computation of interest.

SECTION 2.09. Optional Prepayments. Upon at least three Business Days' prior written or telegraphic notice to the Bank, the Company may at any time, or from time to time, at its option prepay the Note in whole or in part without premium or penalty. Each prepayment of the Note pursuant to this Section 2.09 shall be in the amount of the unpaid principal of the Note or in an integral multiple of \$100,000 in aggregate principal amount, and shall be accompanied by payment of interest on the amount prepaid, accrued to the date of prepayment.

SECTION 2.10. Mandatory Prepayments. When the Cost of all Collateral having suffered a Casualty Occurrence (exclusive of Collateral having suffered a Casualty Occurrence in respect of which a prepayment previously shall have been made to the Bank) shall amount to \$500,000 (or such lesser amount as the Company may elect), the Company shall, within 30 days of its having been informed of such event, prepay such portion of the principal amount of the Note outstanding so that after such prepayment the outstanding principal amount of the Note shall not exceed 75% of the Cost of the remaining Collateral. At the time of any such prepayment, the Company shall deliver to the Bank an Officers' Certificate describing the Collateral in respect of which such prepayment is being made and stating the Cost thereof. Each such prepayment shall be accompanied by payment of interest on the amount prepaid, accrued to the date of prepayment.

SECTION 2.11. Notation of Payments. The Bank agrees that if it sells or transfers the Note or any part thereof it will, prior to the delivery of such Note, make a notation on such Note of the payments of principal and interest which have been made thereon and the date to which interest has been paid.

SECTION 2.12. Certain Representations. The Bank represents to the Company that it views the Loan as a commercial lending transaction made in the ordinary course of its commercial banking business and not as a security or investment. Without limiting the right of the Bank to at all

times control and dispose of its property as it sees fit, the Bank may offer and sell participations in the Loan and the Note to one or more banks or other financial institutions (and the Company hereby expressly agrees to the offer and sale of such participations) in accordance with general banking practice. If any such participations in the Loan and Note are sold, the Company shall not be required to make payments of principal or interest under the Note directly to any such participant. The Bank further represents that it has full power and authority to execute and deliver this Agreement and to carry out its terms. The Bank understands that, in making the representations set forth in Sections 5.02 and 5.08, the Company is relying, to the extent applicable, upon the aforesaid representations of the Bank.

ARTICLE THREE

SECURITY INTEREST IN COLLATERAL; OBLIGATIONS OF COMPANY AS TO COLLATERAL

SECTION 3.01. Grant of Security Interest. To secure the payment of the Obligations, the Company hereby grants to the Bank a continuing security interest in the Collateral described in Schedule A hereto. As and when the Company shall deem it necessary or desirable to subject to the security interest under this Agreement other Equipment in addition to any of the Equipment specifically described in Schedule A hereto, such additional Equipment shall be included as part of the Collateral by amendment hereto and shall be subject to all the terms and conditions hereof in all respects as though it had been part of the Collateral herein specifically described.

SECTION 3.02. Recording. The Company will, promptly after the execution and delivery of this Agreement and each amendment hereto, cause this Agreement and such amendment to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act. The Company shall not be required to take any further action to perfect or otherwise protect the security interest of the Bank in the Collateral, including, without limitation, any filing, registration or recordation of this Agreement or any other instrument in any jurisdiction other than the United States.

SECTION 3.03. Release of Collateral. (a) Upon any prepayment of the Note, in whole or in part, the Bank shall upon Request release from its security interest hereunder such of the Collateral as shall be specified in such Request by delivering to the Company a release and such other instruments as may be necessary to terminate the security

interest of the Bank in such Collateral; provided, however, that if less than the entire unpaid balance of the Note then outstanding is prepaid, such Request shall be accompanied by an Officers' Certificate which shall state that, after giving effect to the release of the security interest of the Bank in the Collateral specified in such Request, the Cost of the Collateral then subject to the security interest of the Bank hereunder is not less than 133-1/3% of the aggregate principal amount of the Note not theretofore or simultaneously prepaid.

(b) After all payments due and to become due from the Company hereunder shall have been completed and fully made to the Bank, the security interest of the Bank in the Collateral shall terminate, and the Bank shall execute for record in public offices, at the expense of the Company, such instrument or instruments in writing as shall be reasonably requested by the Company in order to make clear upon public records the Company's title to all the Collateral under the laws of any jurisdiction free of the security interest granted hereunder.

SECTION 3.04. Marking of Collateral. The Company agrees that there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each unit of Collateral a metal plate bearing one of the following legends, or one of such legends shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of such unit, in either case in letters not less than three-eighths inch in height:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED WITH THE INTERSTATE COMMERCE COMMISSION

or

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
RECORDED UNDER SECTION 20c OF THE INTERSTATE
COMMERCE ACT

In case, prior to the termination of the security interest provided for herein, any of such plates or marks shall at any time be removed, defaced or destroyed, the Company shall forthwith cause the same to be restored or replaced. The Company shall not change, or permit to be changed, the numbers of any of the Collateral at any time covered hereby (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Bank by the Company and which shall be filed and recorded with the Interstate Commerce Commission in like manner as this Agreement.

The Collateral may be lettered UNION TANK CAR COMPANY, PROCOR LIMITED, UTLX, WCTR or in some other appropriate manner for convenience of identification of the interest of the Company therein, and may also be lettered, in case of a lease of any equipment made pursuant to Section 3.05 hereof, in such manner as may be appropriate for convenience of identification of the leasehold interest therein; but the Company, during the continuance of the security interest of the Bank provided for herein, will not allow any lettering or designation to be placed on any of the Collateral claiming a security interest therein by any person, firm, association or corporation other than the Bank.

SECTION 3.05. Possession of Collateral. Except as provided in this Section 3.05, the Company will not assign or transfer its rights hereunder, or transfer or lease the Collateral or any part thereof, without the written consent of the Bank first had and obtained; and the Company shall not, without such written consent, except as herein provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Collateral. An assignment or transfer to a corporation which shall acquire all or substantially all of the property of the Company (whether by merger, consolidation or otherwise) and which, by execution of an appropriate instrument satisfactory to the Bank, shall assume and agree to perform each and all of the obligations and covenants of the Company hereunder shall not be deemed a breach of this covenant. The appointment of a receiver or receivers in equity or reorganization or a trustee or trustees in bankruptcy or reorganization for the Company or for its property shall not be deemed an unauthorized assignment if, prior to any action by the Bank to exercise the remedies herein provided, such receiver or receivers or trustee or trustees shall be discharged or such receiver or receivers or trustee or trustees shall, pursuant to court order or decree, in writing duly assume and agree to pay or perform each and all of the obligations and covenants of the Company hereunder in such manner that such obligations shall have the same status as obligations incurred by such receiver or receivers or trustee or trustees.

So long as the Company shall not be in default under this Agreement, the Company and any of its Affiliates shall be entitled to the possession and use of the Collateral in accordance with the terms hereof, and the Company may also (a) furnish the Collateral or any part thereof to railroad companies for use upon the lines of railroad owned or operated by them or over which they have trackage rights and upon connecting and other carriers in the usual interchange of traffic, or to others than railroad companies for use in their business, or (b) lease all or any part of the Collateral, but only, in either case, upon and subject to all

the terms and conditions of the Agreement, and to all rights of the Bank hereunder.

Any such lease may provide that the lessee, so long as it shall not be in default under such lease, shall be entitled (subject to the rights of the Bank upon the happening of an Event of Default) to the possession of the Collateral included in such lease and the use thereof, and may provide for lettering or marking upon such Equipment for convenience of identification of the leasehold interest of such lessee therein. Every such lease shall expressly subject the rights of the lessee under such lease to the rights of the Bank in respect of the Collateral covered by such lease in the event of the happening of an Event of Default.

SECTION 3.06. Discharge of Liens. The Company covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge (other than the security interest created hereby), assessment, obligation or claim which if unpaid might become a lien or charge upon or against any of the Collateral, but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 3.07. Maintenance of Collateral. The Company agrees that it will maintain and keep the Collateral in good order and proper repair at its own cost and expense, but shall be under no obligation to replace any of the Collateral that may have suffered a Casualty Occurrence. The Company will keep the Collateral insured in reputable companies against loss or damage, the risk of which is customarily insured by railroad companies.

SECTION 3.08. Indemnity. The Company covenants and agrees to indemnify the Bank against all claims arising out of or connected with the ownership or use of any of the Collateral or the security interest provided for hereunder, and particularly against any and all claims arising out of the use of any patented inventions in and about the Collateral, and to comply in all respects with the laws of the United States of America and of all the states and other jurisdictions in which the Collateral, or any thereof, may be operated, and with all lawful acts, rules, regulations and orders of any commissions, boards and other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of the Collateral, including without limitation all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such

law, act, rule, regulation or order, or the application thereof to the Collateral or any part thereof, in any reasonable manner which will not materially endanger the rights or interests of the Bank hereunder. The Company shall not be relieved from any of its obligations hereunder by reason of the assertion or enforcement of any such claims or the commencement or prosecution of any litigation in respect thereof.

SECTION 3.09. Substitution of Equipment. (a) Upon Request, the Bank shall, at any time and from time to time, release from the security interest created hereby any or all of the Collateral by delivering to the Company a release and such other instruments as may be necessary to terminate the security interest of the Bank in such Collateral; provided, however, that no interest of the Bank in any unit of Collateral shall be so released (except as provided in Sections 3.03 and 4.05) unless simultaneously the Company shall grant to the Bank a security interest in other Equipment having a Cost not less than the Cost of the Equipment so released by the Bank.

(b) At the time of delivery of any Request pursuant to Section 3.09(a), the Company shall deliver to the Bank the following papers:

(i) an Officers' Certificate stating (A) the Cost of the Equipment so to be released by the Bank, (B) the Cost of the Equipment so to be substituted and the date such Equipment was first put into use (or that such Equipment was first put into use not earlier than a specified date), (C) that each such unit so to be substituted is Equipment as herein defined, (D) that no Event of Default has occurred and is continuing, and (E) that such release will not impair the security under this Agreement in contravention of the provisions hereof;

(ii) an amendment to this Agreement and such other instruments as may be necessary to subject such substituted Equipment to the security interest provided for hereunder; and

(iii) an opinion of counsel for the Company (who may be an employee of the Company) to the effect (A) that such amendment is valid and effective, either alone or together with any other instruments referred to in and accompanying such opinion, to grant to the Bank a security interest in such substituted Equipment, subject to the terms and conditions hereof, free from all liens and encumbrances except as permitted by Sections 3.05 and 3.06 of this Agreement, and (B) that such amendment and other instruments have been duly authorized, executed and delivered by the Company and constitute, insofar as the Company is concerned, a valid instrument legally binding on the Company (subject, as to the

enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect.

(c) Promptly after the execution and delivery of any amendment to this Agreement pursuant to Section 3.09(b)(ii), the Company shall, at its expense, cause such amendment to be duly filed and recorded with the Interstate Commerce Commission as provided in Section 3.02.

ARTICLE FOUR

CONDITIONS OF LENDING

The obligations of the Bank to make the Loan to be made by it hereunder is subject to the following conditions precedent:

SECTION 4.01. Proof of Corporate Action. The Bank shall have received certified copies of resolutions adopted by the Board of Directors of the Company evidencing its authority for the execution and delivery of this Agreement and the Note and the borrowing hereunder and a certificate of the Secretary or an Assistant Secretary of the Company which shall certify the names of the officers of the Company authorized to sign this Agreement, the Note and the other documents or certificates to be delivered pursuant hereto, together with the true signatures of such officers.

SECTION 4.02. No Default. At the time of making of the Loan hereunder, the Company shall be in compliance with all the terms to be performed or observed by it hereunder, and no Event of Default, nor any event which upon notice or lapse of time or both would constitute such an Event of Default, shall have occurred or be continuing at the time of the making of the Loan.

SECTION 4.03. Accuracy of Representations. The representations, covenants and warranties contained in Article Five hereof shall be true in all material respects at the time of making the Loan hereunder with the same effect as though made on and as of that date.

SECTION 4.04. Opinion of Company Counsel. The Bank shall have received the written opinion of counsel for the Company (who may be its General Counsel or Assistant General Counsel) dated the date of the Loan, addressed to the Bank and in form and substance satisfactory to the Bank and its counsel, to the effect that:

(i) the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to transact business in the State of Illinois; and the Company has full corporate power to execute and deliver this Agreement and the Note and to perform and observe the respective terms and conditions thereof;

(ii) this Agreement has been duly authorized, executed, acknowledged and delivered by the Company and constitutes a valid instrument legally binding on the Company (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect);

(iii) this Agreement has been duly filed and recorded with the Interstate Commerce Commission in accordance with all applicable requirements and no other filing or recordation is necessary for the protection of the rights of the Bank in any state of the United States or the District of Columbia;

(iv) the Note has been duly authorized, executed, issued and delivered and constitutes a valid obligation legally binding on the Company entitling the Bank to the rights therein specified and to the benefits and the security of this Agreement (subject, as aforesaid in clause (ii));

(v) no authorizations and approvals from any governmental or public body or authority of the United States of America or of any state thereof or of the District of Columbia or of any department or subdivision of any thereof are, to the knowledge of such counsel, necessary for the due execution and delivery of this Agreement and the Note pursuant hereto and the validity of the Note and any other action contemplated by this Agreement;

(vi) under the circumstances contemplated by this Agreement, it is not necessary in connection with the Loan to register the Note under the Securities Act of 1933; and

(vii) as to such other matters incident to the transactions contemplated by this Agreement as the Bank may reasonably request.

SECTION 4.05. Officers' Certificate. The Bank shall have received an Officers' Certificate which shall state (i) that the Collateral is Equipment as herein defined, (ii) that the Cost of such Equipment is an amount therein specified or is not less than an amount therein specified and

(iii) that the Collateral is lawfully owned by the Company free and clear of all other liens, encumbrances and security interests, except as permitted by Sections 3.05 and 3.06 of this Agreement.

Any Officers' Certificate delivered pursuant to this Section 4.05 may state that the Cost of the Collateral therein referred to is tentatively determined, subject to final adjustment to be evidenced in a final Officers' Certificate to be delivered to the Bank.

If the aggregate final Cost, as specified in the Officers' Certificate delivered to the Bank pursuant to this Section 4.05, of the Collateral described in Schedule A hereto shall be less than 133-1/3% of the aggregate principal amount of the Note not previously prepaid, the Company will (i) grant to the Bank a security interest in additional Equipment in such amount and of such Cost or (ii) prepay such principal amount of the Note that, after giving effect to the grant of the security interest in such additional Equipment or such prepayment of Note, or a combination thereof, the aggregate final Cost of the Collateral will be at least 133-1/3% of the principal amount of said Note outstanding. Any such additional Equipment shall be included as part of the Collateral by supplement hereto and shall be subject to all the terms and conditions hereof in all respects as though it had been part of the Collateral herein specifically described.

If the aggregate final Cost, as specified in a final Officers' Certificate delivered to the Bank pursuant to this Section 4.05, of the Collateral described in Schedule A hereto shall be more than 133-1/3% of the aggregate principal amount of the Note, then the Bank and the Company shall by supplement delete from Schedule A hereto Equipment designated in a Request received by the Bank not more than 60 days after receipt of such final Officers' Certificate and having an aggregate Cost of not more than the amount of such excess; and thereupon such deleted Equipment shall not be subject to the terms of this Agreement. The Bank shall execute and deliver to the Company a release releasing the security interest of the Bank in such Equipment and assigning and transferring to the Company all the right, title and interest of the Bank in and to the Equipment designated in such Request. Such Request shall state that such release will not impair the security under this Agreement in contravention of the provisions hereof.

SECTION 4.06. Note. The Note shall have been executed and delivered to the Bank.

SECTION 4.07. Approval of Bank's Counsel. All legal matters incident to the transactions herein contemplated shall be satisfactory to the counsel for the Bank.

ARTICLE FIVE

REPRESENTATIONS AND WARRANTIES

The Company represents and warrants as follows:

SECTION 5.01. Corporate Existence and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to transact business in the State of Illinois. The Company has full corporate power to execute and deliver this Agreement and the Note and to perform and observe the respective terms and conditions thereof.

SECTION 5.02. Corporate Authority. The execution, delivery, and performance by the Company of this Agreement and the Note and the borrowing by the Company pursuant to this Agreement have been duly authorized by all necessary corporate action on the part of the Company, will not violate any provision of law or of the Certificate of Incorporation or By-Laws of the Company and will not result in the breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon, any property or assets of the Company or its Subsidiaries in violation of any indenture or loan or credit agreement or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or its property may be bound or affected.

SECTION 5.03. Financial Condition. The consolidated balance sheet of the Company and its Consolidated Subsidiaries as of December 31, 1979, and the consolidated statements of income, retained earnings and additional capital, and source and use of funds of the Company and its Consolidated Subsidiaries, together with the notes thereto for the fiscal year of the Company ended December 31, 1979, as certified by Arthur Andersen & Co., present fairly the consolidated financial condition of the Company and its Consolidated Subsidiaries as of the date of said balance sheet and the results of their operations for the year ended on said date. To the best of the Company's knowledge, the Company and its Subsidiaries, taken as a whole, did not have, on December 31, 1979, any material contingent liabilities, material liabilities for taxes, material and unusual forward or long-term commitments or material unrealized or anticipated losses from any unfavorable commitments of the Company or of its Subsidiaries except as referred to or reflected or provided for in said consolidated balance sheet as at that date. Said financial statements have been prepared in accordance with generally accepted accounting principles consistently applied. Since December 31, 1979, there has been no material adverse change in the consolidated financial condition of the Company and its Consolidated Subsidiaries from that shown by said consolidated balance sheet as of that date.

SECTION 5.04. Litigation. Except as disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 1979, there are no actions, suits or proceedings (whether or not purportedly on behalf of the Company or any of its Subsidiaries) pending or to the knowledge of the Company threatened against or affecting the Company or any of its Subsidiaries at law or in equity or before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if adversely determined, might result in any material adverse change in the business, operations, prospects, properties or assets or in the condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries is, to the knowledge of the Company, in default with respect to any material judgment, writ, injunction, decree, rule or regulation of any court or Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

SECTION 5.05. Use of Loan. The proceeds of the Loan will be utilized by the Company to retire indebtedness outstanding under the Company's Equipment Trust Notes (Series C) or to reimburse the treasury of the Company for a portion of the Cost of acquisition or construction of the Collateral. The Company is not engaged principally, or as one of the Company's important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of the Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. If requested by the Bank, the Company will furnish to the Bank in connection with the Loan hereunder a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in said Regulation.

SECTION 5.06. Taxes. Federal income tax returns for the Company and its Subsidiaries have been examined by the Internal Revenue Service for all years prior to and including the year ended December 31, 1975, and all liabilities for assessed deficiencies for such years have been discharged, settled, or reserved against. The Company and each of its United States and Canadian Subsidiaries have filed all tax returns which, to the knowledge of the Company, are required to be filed by them in any jurisdiction, and have paid or have caused to be paid or otherwise satisfied all taxes shown on said returns or on any assessment received by any of them, to the extent that such taxes have become due, except to the extent the liability for such taxes is being contested in good faith by appropriate proceedings. The Company and its Subsidiaries have set up reserves which are

believed by the Company and each such Subsidiary to be adequate for the payment of additional taxes for years which have not been audited by the respective tax authorities.

SECTION 5.07. Pension Plan. The aggregate present value of vested benefits applicable to employees of the Company under "employee pension benefit plans" as such term is defined in Section 3 of the Employee Retirement Income Security Act of 1974 (hereinafter called "ERISA") which are presently in existence did not, as of the last annual valuation date, January 1, 1980, exceed the aggregate present value of the assets of such pension plans allocable to such vested benefits. To the best of the Company's knowledge, the provisions of each such pension plan maintained by the Company comply with all applicable provisions of ERISA and of the Internal Revenue Code of 1954, as amended (herein called the Code) and with all applicable rulings and regulations issued under the provisions of ERISA and the Code setting forth those requirements and the Company has not incurred any material liability to the Pension Benefit Guaranty Corporation under ERISA in connection with any such plan.

SECTION 5.08. Governmental Consent. Neither the nature of the Company or of any Subsidiary, or of any of their respective businesses or properties, nor any relationship between the Company or any Subsidiary, nor any circumstance in connection with the execution and delivery of this Agreement, the borrowing hereunder, or the Note is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority or regulatory body on the part of the Company as a condition to the execution, delivery and performance of this Agreement or the Note.

SECTION 5.09. Title to Properties. The Company and its Consolidated Subsidiaries have good and marketable title to all of the properties and assets reflected in the financial statements referred to in Section 5.03 (except such as have been disposed of in the ordinary course of business for fair consideration), subject to mortgages and liens in respect of borrowed money referred to in said financial statements and to other liens which are not in the aggregate material.

ARTICLE SIX

AFFIRMATIVE COVENANTS

The Company covenants and agrees with the Bank that, from the date hereof and as long as this Agreement shall remain in effect or any of the principal or interest on the Loan shall remain unpaid, it will:

SECTION 6.01. Financial Statements. Furnish to the Bank:

(a) within 120 days after the end of each fiscal year of the Company a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and related consolidated statements of income, retained earnings and additional capital, and source and use of funds for such fiscal year, all certified by Arthur Andersen & Co., or other independent certified public accountants of recognized national standing selected by the Company;

(b) within 60 days after the end of each quarter in each fiscal year of the Company, except the last quarter of each fiscal year, an unaudited consolidated condensed balance sheet of the Company and its Consolidated Subsidiaries as of the close of the quarter then ended, together with an unaudited consolidated condensed statement of income of the Company and its Consolidated Subsidiaries, showing results of operations of the Company on a consolidated basis for the period from the beginning of the fiscal year to the end of such quarterly period, with a certification by the chief financial officer, the chief accounting officer, or the Treasurer of the Company that such financial statements present fairly the financial position of the Company;

(c) with the statements submitted under subsections (a) and (b) above, a certificate signed by the chief financial officer, the chief accounting officer, or the Treasurer of the Company to the effect that to the best of his knowledge no Event of Default, nor any event which, upon notice or lapse of time or both, would constitute such an Event of Default, has occurred and is continuing, or if any such Event of Default or event has occurred and is continuing, specifying the nature and extent thereof and the action, if any, which the Company has taken or proposes to take with respect thereto; and

(d) from time to time, such other information regarding the operations, business, affairs and financial condition of the Company and its Subsidiaries as the Bank may reasonably request.

Delivery of the quarterly and annual reports of the Company on Forms 10-Q and 10-K shall be deemed to satisfy the requirements of subsections (a) and (b) above so long as such reports include the information required by said subsections.

SECTION 6.02. Corporate Existence. Do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises; provided, however, that the Company shall not be required to

preserve any right or franchise if it shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Bank.

SECTION 6.03. Business. Carry on and conduct its business in substantially the same manner and in substantially the same fields as such businesses are now and heretofore have been carried on and conducted.

SECTION 6.04. Property. Maintain, or cause to be maintained, in good working order and condition all of its property used or useful in the conduct of its business.

SECTION 6.05. Insurance. Maintain, with financially sound and reputable insurers, insurance with respect to its properties and business against such casualties and contingencies, of such types and in such amounts as is customary in the case of corporations of established reputations engaged in the same or a similar business and similarly situated.

SECTION 6.06. Payment of Taxes and Other Charges. Pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon the Company and its United States and Canadian Subsidiaries or upon their income and profits, or upon any of their material properties, real, personal or mixed, or upon any part thereof, before the same shall become in default, as well as pay before they shall become in default all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that neither the Company nor any such Subsidiaries shall be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the Company or such Subsidiary, as the case may be, shall have set aside on its books appropriate reserves with respect to any such tax, assessment, charge, levy or claim so contested.

SECTION 6.07. Employee Retirement Income Security Act of 1974. Promptly comply with all requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and of the Internal Revenue Code of 1954, as amended (the "Code") and with all rulings and regulations issued under the provisions of ERISA and of the Code applicable to its employee pension plans which are presently in existence or may from time to time come into existence, and the non-compliance with which would reasonably be expected to lead to any litigation or governmental proceeding which would have a material adverse effect upon the financial condition of the Company and its Subsidiaries taken as a whole or

would materially impair the right of the Company or any of its Subsidiaries to carry on their respective businesses substantially as now conducted.

SECTION 6.08. Notice of Default. As soon as possible (but in any event not later than thirty (30) days) after the Company knows that any Event of Default, or any event which, upon notice or lapse of time or both, would constitute such an Event of Default, has occurred, the Company shall furnish to the Bank written notice of such occurrence together with a statement by the President, any Vice President, or the Treasurer of the Company describing the action, if any, which the Company proposes to take with respect thereto.

SECTION 6.09. Compliance with Applicable Laws. Comply with the requirements of all applicable laws, rules, regulations, and orders of any governmental authority, a breach of which would materially and adversely affect its business or credit taken as a whole, except where contested in good faith and by proper proceedings and for which it is maintaining adequate reserves.

SECTION 6.10. Litigation. Promptly give to the Bank notice in writing of all litigation and of all proceedings before any governmental or regulatory agencies affecting the Company except litigation or proceedings which, if adversely determined, would not have a material adverse effect upon the financial condition of the Company and its Consolidated Subsidiaries, taken as a whole.

ARTICLE SEVEN

REMEDIES IN EVENT OF DEFAULT

SECTION 7.01. Events of Default. The Company covenants and agrees that in case

(a) the Company shall default in the payment of any part of the principal of or interest on the Note for more than three Business Days after the same shall have become due and payable, or

(b) the Company shall make or suffer any unauthorized assignment or transfer of its rights hereunder or shall make any unauthorized transfer or lease of any of the Collateral, or, except as herein authorized, shall part with the possession of any of the Collateral, and shall fail or refuse either to cause such assignment or transfer or lease to be cancelled by agreement of all parties having any interest therein and recover possession of such Collateral within 30 days after the Bank shall have demanded in writing such cancellation and recovery of possession, or within said 30 days to deposit with the Bank a sum in cash equal to the Cost of

the Collateral so assigned or transferred or leased or the possession of which shall have been parted with otherwise than as herein authorized (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or lease and the recovery of possession by the Company of such Collateral), or

(c) the Company shall, for more than sixty (60) days after the Bank shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof on its part to be kept and performed, or to make provision satisfactory to the Bank for such compliance, or

(d) any representation or warranty made by the Company herein proves to have been incorrect in any material respect as of the date of this Agreement or as of the date on which it is made, or any statement, certificate or data furnished by the Company hereunder proves to have been incorrect in any material respect as of the date when the facts therein set forth were stated or certified; or

(e) a decree or order shall have been entered by a court of competent jurisdiction adjudging the Company a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of the Company, or a decree or order for relief in respect of the Company shall have been entered, under the Bankruptcy Act, or under any other Federal or state law relating to bankruptcy or insolvency, or appointing a receiver or decreeing or ordering the winding up or liquidation of the affairs of the Company (and each such decree or order shall not have been discharged, stayed or otherwise rendered ineffective within 60 days after such entry), or

(f) an "Event of Default" (as defined in Section 6.01 of the Indenture) shall have occurred and (i) such "Event of Default" (as so defined) shall not have been waived and (ii) a declaration of acceleration is made or other action taken by the Trustee under the Indenture or the holders of the Debentures issued thereunder leading to the enforcement of payment thereof, and such declaration or other action has not been withdrawn, rescinded or annulled within seven days thereafter,

then, in any such case (herein sometimes called an Event of Default), the Bank, by notice in writing to the Company, may declare to be due and payable forthwith the unpaid principal amount of the Note then outstanding. Thereupon the entire amount of such principal shall forthwith become and shall be due and payable immediately without further demand, together with interest at the rate specified in the Note, to the extent legally enforceable, on any portion thereof overdue.

In case (i) the Company shall fail to pay any principal or interest on the Note when and as the same shall have become due and payable hereunder, (ii) such non-payment is not due to the failure of the Bank to debit the account of the Company pursuant to Section 2.07 when sufficient funds are available to cover the payments then due and (iii) such default shall have continued for a period of three Business Days, the Bank shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the moneys so due and unpaid, and may prosecute any such action or proceedings to final judgment or final decree, and may enforce any such judgment or final decree against the Company or other obligor upon the Note and collect in the manner provided by law out of the property of the Company or other obligor upon the Note wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company under the Bankruptcy Act or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company, or in case of any other judicial proceedings relative to the Company or to the creditors or property of the Company, the Bank irrespective of whether the principal of the Note shall then be due and payable as herein or therein expressed whether by declaration or otherwise and irrespective of whether the Bank shall have made any demand or declaration pursuant to the provisions of this Section 7.01, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the entire amount of the principal and interest payable on the Note (excluding moneys required for the payment of interest accruing after the date of such declaration) and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Bank (including any claim for reasonable compensation to its agents and counsel, and for reimbursement of all expenses and liabilities incurred by the Bank except as a result of its negligence or bad faith) allowed in such proceedings and to collect and receive any moneys or other property payable or deliverable on any such claims.

SECTION 7.02. Remedies. (a) In case of the happening of any Event of Default, the Bank may by its agents enter upon the premises of the Company and of any Affiliate or of any lessee where any of the Collateral may be and take possession of all or any part of the Collateral and withdraw the same from said premises, retaining all payments which up to that time may have been made hereunder, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Collateral or any part thereof, and may lease the Collateral or any part thereof, or with or without taking possession thereof (but only after declaring due and payable the entire

amount of moneys payable by the Company as provided in Section 7.01 hereof) may sell the same or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, insofar as may be necessary to collect such moneys at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights hereunder in the manner herein provided. Upon any such sale, the Bank itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Bank may specify, or as may be required by law, and without gathering at the place of sale the Collateral to be sold, and in general in such manner as the Bank may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Collateral, the Company shall cease to have any rights or remedies in respect of the Collateral hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company shall, in case of the happening of any Event of Default and such taking possession, withdrawal, lease or sale by the Bank, give to the Company any legal or equitable interest in or to the Collateral or any of it or any cause or right of action at law or in equity in respect of the Collateral against the Bank. No such taking possession, withdrawal, lease or sale of the Collateral by the Bank shall be a bar to the recovery by the Bank from the Company of Obligations then or thereafter due and payable, and the Company shall be and remain liable for the same until such sums shall have been realized as, with the proceeds of the lease or sale of the Collateral, shall be sufficient for the discharge and payment in full of the Obligations (other than interest not then accrued), whether or not they shall have then matured. The foregoing provisions are subject to all applicable mandatory requirements of law.

(b) The Company will pay all reasonable expenses, including attorneys' fees, incurred by the Bank in enforcing its remedies under the terms of this Agreement. In the event that the Company shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Bank may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included on such judgment.

SECTION 7.03. Application of Proceeds. If, in case of the happening of any Event of Default, the Bank shall exercise any of the powers conferred upon it by Sections 7.01 and 7.02, all payments made by the Company to the Bank hereunder after such Event of Default, and the proceeds of any judgment collected from the Company by the Bank hereunder, and the proceeds of every sale or lease by the Bank hereunder of any of the Collateral, together with any other sums

which may then be held by the Bank under any of the provisions hereof, shall be applied by the Bank to the payment of (a) all proper charges, expenses or advances made or incurred by the Bank in accordance with the provisions of this Agreement, (b) the interest then due, with interest on overdue interest at the rate specified in the Note to the extent legally enforceable and (c) the principal of the Note, with interest thereon at the rate specified in the Note to the extent legally enforceable from the last preceding Interest Payment Date, whether such Note shall have matured by its terms or not, all such payments to be in full if such proceeds shall be sufficient.

After all such payments shall have been made in full, all the right, title and interest of the Bank in and to any of the Collateral remaining unsold shall be conveyed by the Bank to the Company free from any further liabilities or obligations to the Bank hereunder. If after applying all such sums of money realized by the Bank as aforesaid there shall remain any amount due to the Bank under the provisions hereof, the Company agrees to pay the amount of such deficit to the Bank. If after applying as aforesaid the sums of money realized by the Bank there shall remain a surplus in the possession of the Bank, such surplus shall be paid to the Company.

SECTION 7.04. Obligations of Company Not Affected by Remedies. No taking of possession of the Collateral by the Bank, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Company or in respect of the Collateral, on the part of the Bank, nor any delay or indulgence granted to the Company by the Bank, shall affect the obligations of the Company hereunder. The Company hereby waives presentation and demand in respect of the Note and waives notice of presentation, of demand and of any default in the payment of the principal of and interest on the Note.

SECTION 7.05. Company to Deliver Collateral to Bank. In case the Bank shall rightfully demand possession of any of the Collateral in pursuance of this Agreement, the Company will, at its own expense, forthwith and in the usual manner and at usual speed, cause such Collateral to be drawn to such point or points as shall reasonably be designated by the Bank and will there deliver or cause to be delivered the same to the Bank; or, at the option of the Bank, the Bank may keep such Collateral, at the expense of the Company, on any lines of railroad or premises approved by the Bank until the Bank shall have leased, sold or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Bank shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 7.06. Unconditional Right of Bank to Sue for Principal and Interest. Notwithstanding any other provision in this Agreement, the right of the Bank to receive payment of the principal of, and interest on, the Note, on or after the respective due dates expressed in the Note, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Bank, except no such suit shall be instituted if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security interest under this Agreement upon any property subject hereto.

SECTION 7.07. Remedies Cumulative. The remedies in this Agreement provided in favor of the Bank shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

ARTICLE EIGHT

MISCELLANEOUS

SECTION 8.01. Consolidation or Merger. The Company covenants and agrees with the Bank that, from the date hereof and so long as this Agreement shall remain in effect or any of the principal or interest on the Note shall remain unpaid, it will not consolidate with or merge into any other corporation, other than a consolidation or merger in which the Company is the surviving entity, without obtaining the prior written consent of the Bank to the assumption by the corporation formed by such consolidation or into which the Company is merged of the due and punctual payment of the principal and interest on the Note and the performance of every covenant of this Agreement on the part of the Company to be performed or observed.

SECTION 8.02. No Recourse. No recourse under any obligation, covenant or agreement of this Agreement, shall be had against any stockholder, officer or director of the Company, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is solely a corporate obligation, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors of the Company, as such, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this Agreement, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this Agreement.

SECTION 8.03. Counterparts. This Agreement has been simultaneously executed in several counterparts each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 8.04. Notices. All demands or notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, mailed by registered mail, postage prepaid, or sent by telegraph, charges prepaid, to such party at the address set forth below (or at such other address as such party shall specify to the other party in writing):

(i) if to the Company, at its address at 90 Half Day Road, Lincolnshire, Illinois 60015, Attention of: Secretary; and

(ii) if to the Bank, at its address at 420 Montgomery Street, San Francisco, California 94104, Attention of: John H. Mullin, Vice President.

SECTION 8.05. Survival of the Agreement. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by the Bank of the Loan and the execution and delivery to the Bank of the Note evidencing the Loan and shall continue in full force and effect so long as the Note is outstanding and unpaid in principal or interest. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants and agreements by or on behalf of the Company which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank (including, but not by way of limitation, the holder of any Note).

SECTION 8.06. Expense of the Bank. The Company will pay all reasonable out-of-pocket expenses including, but not limited to, reasonable attorney's fees, incurred by the Bank in connection with the making of the Loan, the administration of this Agreement and the enforcement and protection of the rights of the Bank in connection with this Agreement or with the Loan or the Note and with respect to any action which may be instituted by any person against the Bank in respect of any of the foregoing or as a result of any transaction, action, or non-action arising from the foregoing.

SECTION 8.07. Applicable Law. This Agreement and the Note shall be construed in accordance with and governed by the laws of the State of California.

SECTION 8.08. Waiver of Rights by the Bank. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder or under the Note shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege.

SECTION 8.09. Modification of Agreement. No modification, amendment or waiver of any provision of this Agreement or the Note, nor consent to any departure by the Company or any of its Subsidiaries therefrom shall in any event be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in the same, similar or other circumstances.

SECTION 8.10. Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable, the enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

SECTION 8.11. Headings. The Article and Section headings are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the Company and the Bank have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first written.

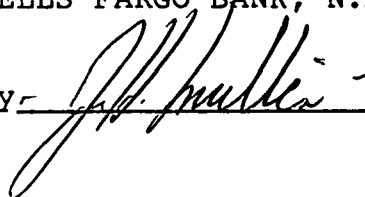
(Corporate Seal)

WELLS FARGO BANK, N.A.

ATTEST:

By


Assistant Secretary



(Corporate Seal)

UNION TANK CAR COMPANY

ATTEST:

By


Assistant Secretary


Vice President and Treasurer

STATE OF CALIFORNIA)
) ss.:
COUNTY OF SAN FRANCISCO)

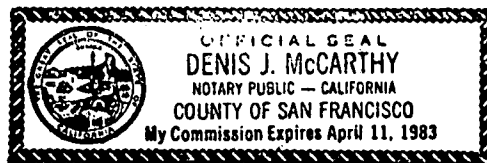
On this 20TH day of November, 1980, before me personally appeared J. H. MULLIN, to me personally known, who being by me duly sworn, says that he is a VICE PRESIDENT of WELLS FARGO BANK, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said Bank, that said instrument was signed and sealed on behalf of said Bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Bank.

Denis J. McCarthy
Notary Public

My Commission expires:

APRIL 11, 1983

(Notarial Seal)



STATE OF ILLINOIS)
) ss.:
COUNTY OF LAKE)

On this 19th day of November, 1980, before me personally appeared P. J. JOHNSON, to me personally known, who, being by me duly sworn, says that he is Vice President and Treasurer of UNION TANK CAR COMPANY, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen L. McFarland
Notary Public

My Commission expires:

My Commission Expires Nov. 14, 1981

(Notarial Seal)

UNION TANK CAR COMPANY
LOAN AND SECURITY AGREEMENT
DATED AS OF NOVEMBER 1, 1980 (SERIES H)

SCHEDULE A

DESCRIPTION OF TRUST EQUIPMENT

QUANTITY	A.A.R. MECHANICAL DESIGNATION CODE	CAPACITY IN GALLONS	ROAD NUMBERS
3	LO	4,750 CUFT	UTCX43055-UTCX43056 UTCX43058
28	LO	7,000 CUFT	UTBX10202-UTBX10229
40	TA	13,000	11160-11199
40	TM	13,000	60830-60831, 60833, 60836 60839-60874
14	TM	13,500	60875-60882, 60884-60887 60889, 60891
23	TM	14,000	24880, 24885, 24908-24925 24932, 24934-24935
58	TM	16,000	66227-66228, 66230-66257 66259, 66261, 66263 66265, 66310-66317 66320-66321, 66324-66325 85013, 85042, 85067 85073, 85076, 85078 85087, 85096, 85135-85136 85149, 85157
104	TM	20,000	48384-48385, 48389, 48392 48394, 48396, 48401 48405, 48412, 48414 48416, 48418, 48421-48423 48425, 48427-48430 48432-48433, 48439 48441, 48443, 67801 67803-67806, 67809 67811-67814, 67817-67818 67827, 67829, 68277 68281, 68442-68447 68451-68452, 68455-68509
135	TM	23,500	67970-67999, 68042-68050 68052, 68054, 68056 68060, 68073, 68077-68080 68084, 68086, 68092 68094, 68100-68109 68111-68159, 68374 68538, 68540, 68562-68563

UNION TANK CAR COMPANY
LOAN AND SECURITY AGREEMENT
DATED AS OF NOVEMBER 1, 1980 (SERIES H)

SCHEDULE A

DESCRIPTION OF TRUST EQUIPMENT

QUANTITY	A.A.R. MECHANICAL DESIGNATION CODE	CAPACITY IN GALLONS	ROAD NUMBERS
			68565, 68567, 68570-68571 68576-68577, 68582 68850, 68852-68859 68929, 68958-68959
3	TM	25,000	98268-98269, 98271
13	TM	26,000	48381, 48415, 48420, 48462 48466, 48474, 48482 48487, 48490, 48493 48498, 48546, 48611
8	TMI	20,000	BAYX1006-BAYX1013
14	TP	16,000	66229, 66258, 66260, 66262 66264, 66266-66274
40	TP	25,000	26000, 26002-26007, 26009 26011, 26013, 26016-26017 98272-98273, 98275-98278 98281-98282, 98284 98286, 98288-98289 98291-98292, 98295 98297-98298, 98301-98303 98305-98312
9	TP	26,700	30109-30117
✓ 15	BULKHEAD FLAT	100 TON	BCOL866010-BCOL866011 BCOL866015-BCOL866016 BCOL866019 BCOL866025 BCOL866031-BCOL866032 BCOL866054 BCOL866645-BCOL866648 BCOL866662-BCOL866663
✓ 16	COVERED HOPPER	5,840 CUFT	UNPX122304-UNPX122305 UNPX122314-UNPX122318 UNPX122320-UNPX122322 UNPX122324-UNPX122328 UNPX122330
✓ 8	TM	25,650	46111, 46115, 46118-46119 46122-46123, 46125

UNION TANK CAR COMPANY
 LOAN AND SECURITY AGREEMENT
 DATED AS OF NOVEMBER 1, 1980 (SERIES H)

SCHEDULE A

DESCRIPTION OF TRUST EQUIPMENT

QUANTITY	A.A.R. MECHANICAL DESIGNATION CODE	CAPACITY IN GALLONS	ROAD NUMBERS
			✓46127
✓2	TMI	10,000	70002-70003
✓2	TMI	20,000	73485-73486
✓7	TPI	17,300	83452, 83469, 83475, 83508-83509 83515-83516
12	TPI	33,800	✓98470, 98472, 98474-98476 98606, 98608, 98610 98614-98617
----- 594 =====	TOTAL		

SCHEDULE B

UNION TANK CAR COMPANY

EQUIPMENT NOTE DUE NOVEMBER 15, 1983 (SERIES H)

\$20,000,000.00

_____, 1980

UNION TANK CAR COMPANY, a Delaware corporation (the "Company"), for value received, promises to pay to the order of WELLS FARGO BANK, N.A., a national banking association (the "Bank"), at the principal office of the Bank at 420 Montgomery Street, San Francisco, California 94104, the principal sum of TWENTY MILLION DOLLARS (\$20,000,000.00), in lawful money of the United States and in immediately available funds, on November 15, 1983.

The Company also agrees to pay interest on the unpaid principal amount of this Note until paid at said office in like money on February 15, May 15, August 15 and November 15 in each year commencing February 15, 1981, at the following rates per annum: (a) from the date hereof to maturity, at a rate equal to 105% of the Prime Rate, as hereinafter defined, from time to time in effect; and (b) after maturity, whether by acceleration or otherwise, at a rate per annum equal to the sum of (i) one percent (1%) plus (ii) the rate specified in clause (a) above.

The term "Prime Rate" as used herein means the prime rate announced by the Bank from time to time at its principal office referred to above. The applicable interest rate under this Note shall change simultaneously with each change in the Prime Rate. Interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 365 (or, where applicable, 366) days.

This Note is the Note referred to in, and is secured by, a Loan and Security Agreement (the "Agreement") dated as of November 1, 1980, between the Company and the Bank. The Agreement, among other things, contains provisions for prepayments on this Note prior to the maturity date hereof upon the terms and conditions therein specified. Reference is made to the Agreement for a more complete statement of the terms and conditions thereof, including a description of the Collateral provided thereby and the rights of the Company and the Bank in respect of such Collateral.

Upon the occurrence of an Event of Default specified in the Agreement, the principal hereof and accrued interest hereon shall thereupon become forthwith due and payable, all as provided in the Agreement.

UNION TANK CAR COMPANY

By _____

ATTEST:
